ANNUAL REPORT

of the

STANDING COMMITTEE ON PUBLIC ACCOUNTS

2000-2001

DECEMBER 2001

LEGISLATIVE ASSEMBLY, NOVA SCOTIA

House of Assembly
Nova Scotia

102-03429/

Mr. Roderick MacArthur
Chief Clerk of the House
House of Assembly
Province House
Halifax, Nova Scotia

Dear Mr. MacArthur,

On behalf of the Standing Committee on Public Accounts, I am pleased to submit the Annual Report of the Committee containing recommendations for consideration by the Legislative Assembly of Nova Scotia.

Respectfully submitted

William Estabrooks

William Estabrooks, MLA
(Timberlea-Prospect)
Chairman
Standing Committee on Public Accounts

Halifax, Nova Scotia

Printed on paper that contains recycled fibre

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INTRODUCTION

The Standing Committee on Public Accounts, an all-party Committee, was struck at the beginning of the First Session of the Fifty-Eighth General Assembly. Pursuant to Rule 60(3) of the Province of Nova Scotia Rules and Forms of Procedures of the House of Assembly:

> The Chairman of the Public Accounts Committee shall be the Member chosen at the commencement of the first Session of each Assembly by the Opposition House Leader from among such Members of the Committee as are Members of the Official Opposition.

Currently, Nova Scotia is in the unique position of having both opposition parties holding an equal number of seats in the House of Assembly. Therefore, there is no official opposition. The Speaker made a ruling that the Standing Committee on Public Accounts would have alternating co-chairmen, chosen by each opposition house leader. The Committee determined that the Chairmanship would rotate between the co-chairmen on a six month basis.

The Vice-Chairman was chosen directly pursuant to Rule 60(3), but from among the Government Members of the Committee. During the session the Committee underwent a number of membership changes. The membership of the Public Accounts Committee currently is as follows:

Mr. William Estabrooks, MLA - Chairman
Timberlea -Prospect

Mr. Jim DeWolfe, MLA - Vice Chairman
Pictou East

Mr. Barry Barnet, MLA
Sackville - Beaver Bank

Mr. Bill Langille, MLA
Colchester North

Mr. John Carey, MLA
Kings West

Mr. Kerry Morash, MLA
Queens

Mr. Graham Steele, MLA
Halifax - Fairview

Mr. Russell MacKinnon, MLA
Cape Breton West

Mr. Don Downe, MLA
Lunenburg West

PROCEDURES AND OPERATIONS

The Public Accounts Committee traditionally meets once a week. These meetings are held on Wednesday mornings in the Legislative Chamber of the House of Assembly and in the Legislative Committees Office. During the Third Sitting in the First Session of the Fifty-Eighth General Assembly the Committee met on the following dates:

September 27, 2000

October 18, 2000
October 25, 2000

November 1, 2000
November 8, 2000
November 15, 2000
November 22, 2000
November 29, 2000

December 6, 2000

January 10, 2001
January 17, 2001
January 24, 2001
January 31, 2001

February 7, 2001
February 14, 2001
February 21, 2001
February 28, 2001

March 7, 2001
March 14, 2001
March 21, 2001
March 28, 2001

April 4, 2001
April 11, 2001
April 18, 2001
April 25, 2001

May 2, 2001
May 9, 2001
May 23, 2001

NOTICES

Notices of the Committee meetings are sent to all members of the Committee, the Auditor General, staff of the caucus offices, the Legislative staff and the House of Assembly Press Gallery and are posted in Province House.

VERBATIM TRANSCRIPTS

Transcripts of these Committee meetings are available from the Legislative Committees Office.

RESEARCH MATERIAL

All research for the Public Accounts Committee is compiled by the Committee's Coordinator and Researcher, and distributed to the members. Reference material is placed in binders and distributed prior to meetings. This material is also made available to the Auditor General, Hansard, and the House of Assembly Press Gallery. Copies of this material are available from the Legislative Committees Office.

ANNUAL REPORTS

All reports from the Public Accounts Committee are compiled and written by the Committee's Coordinator. Once the Co-Chairmen and Vice Chairman have approved the initial draft, it is then sent to the individual Committee members for consideration. The draft review complete, the report is tabled with the Clerk of the House.

As recommended by the Guidelines for Public Accounts Committees, distribution of the report will be as follows: to the Speaker, all members of the Legislature, all witnesses that appeared before the Committee, the Legislative Library in Nova Scotia and in all other provinces and territories, Deputy Ministers, Chairmen of all Canadian Public Accounts Committees, and the Media. This report is also available to the general public upon request through the Legislative Committees Office.

ACKNOWLEDGMENTS

The Committee wishes to extend its gratitude to witnesses for their time and cooperation; Mr. Roy Salmon, Auditor General of Nova Scotia and his staff for being present at all of the Committee meetings to assist the Committee in its deliberations; Ms. Mora Stevens, Coordinator of the Public Accounts Committee and the staff of the Legislative Committees Office for the organization and research of committee meetings. Others whose assistance has been invaluable to the Committee are: Mr. Robert Kinsman, Editor of Hansard, and Hansard staff; Mr. Don Ledger, Co-ordinator Legislative Television and Broadcast Services, and staff; and Mr. Michael Laffin, Co-ordinator, House of Assembly Operations and staff.

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WITNESSES

WEDNESDAY, OCTOBER 18, 2000 — ***UNIVERSITIES - FEDERAL FUNDING COMPONENT***

Department of Education
Mr. Dennis Cochrane, Deputy Minister
Mr. Joseph MacEachern, Acting Director of Grants and Audits, Finance Branch
Mr. Rick Butler, Executive Director of Training and Financial Assistance Branch

Nova Scotia Advisory Board on Colleges and Universities
(Formerly called Nova Scotia Council on Higher Education)
Dr. Susan Clark, Executive Director

Maritime Provinces Higher Education Commission
Dr. Carmelita Boivin-Cole, Chief Executive Officer

WEDNESDAY, OCTOBER 25, 2000 — ***NATIONAL HIGHWAY SYSTEM - FEDERAL CONTRIBUTIONS***

Department of Transportation and Public Works
Mr. Howard Windsor, Deputy Minister
Mr. Martin Delaney, Executive Director for District Operations

Department of Finance
Mr. William Hogg, Deputy Minister
Mr. Ramsay Duff, Assistant Deputy Minister

WEDNESDAY, NOVEMBER 1, 2000 — ***HALIFAX PORT FACILITIES TOUR***

WEDNESDAY, NOVEMBER 8, 2000 — ***HALIFAX PORT AUTHORITY***

Mr. David Bellefontaine, President

WEDNESDAY, NOVEMBER 15, 2000 — ***HALIFAX-DARTMOUTH BRIDGE COMMISSION***

Mr. Larry Doane, Chairman
Mr. Steve Snider, General Manager and Chief Executive Officer
Mr. Ken Munro, Treasurer

WITNESSES

WEDNESDAY, NOVEMBER 29, 2000 ***STUDENT AID***

Department of Education
Mr. Dennis Cochrane, Deputy Minister
Mr. Rick Butler, Executive Director, Training and Financial Assistance
Ms. Kathleen Thompson, Director of Student Assistance

WEDNESDAY, JANUARY 31, 2001 ***FINALIZATION OF THE 1999-2000 ANNUAL REPORT AND THE AUDITOR GENERAL***

WEDNESDAY, FEBRUARY 7, 2001 ***FUEL TAX***

Department of Finance
Mr. William Hogg, Deputy Minister
Mr. Bruce Hennebury, Director of Fiscal Policy

WEDNESDAY, FEBRUARY 14, 2001 ***NOVA SCOTIA CREDIT RATING***

Department of Finance
Mr. William Hogg, Deputy Minister
Mr. Doug Stratton, Executive Director - Investments, Pensions and Treasury Services
Mr. Roy Spence, Director - Liability Management and Treasury Services

Auditor General's Office
Mr. Roy Salmon, Auditor General
Mr. Claude Carter, Deputy Auditor General

WEDNESDAY, FEBRUARY 28, 2001 ***AUDITOR GENERAL 'S 2001 REPORT***

Auditor General's Office
Mr. Roy Salmon, Auditor General
Mr. Claude Carter, Deputy Auditor General
Mr. Alan Horgan, Assistant Auditor General
Ms. Elaine Morash, Assistant Auditor General

WEDNESDAY, MARCH 7, 2001 ***AUDITOR GENERAL 'S 2001 REPORT (Continuation)***

Auditor General's Office
Mr. Roy Salmon, Auditor General
Mr. Claude Carter, Deputy Auditor General
Mr. Alan Horgan, Assistant Auditor General
Mr. David Perry, Audit Manager
Mr. Roger Lintaman, Audit Manager

WITNESSES

WEDNESDAY, MARCH 21, 2001 — *ACCESS NOVA SCOTIA*

Service Nova Scotia and Municipal Relations
Mr. Graham Poole, Executive Director - Service Delivery
Ms. Kathy Smith, Acting Director - Financial Services
Ms. Joan Frizzell, Financial Services Coordinator

Department of Finance
Ms. Robyn McIsaac, Director of Communications

WEDNESDAY, MARCH 28, 2001 — *RESOURCE RECOVERY FUND BOARD*

Resources Recovery Fund Board
Mr. Derrick Firth, Chief Operating Officer
Mr. Darrell Hiltz, Chairman of the Board of Directors

WEDNESDAY, APRIL 11, 2001 — *PROCUREMENT OF LEGAL SERVICES*

Department of Justice
Mr. Doug Keefe, QC - Deputy Minister

WEDNESDAY, MAY 2, 2001 — *NOVA SCOTIA MUSEUMS*

Department of Tourism and Culture
Mr. David Newlands - Executive Director of Heritage
Ms. Debra Burleson - Director - Museum of Natural History
Mr. Paul Collins - Curator - Community Museums Assistance Program
Ms. Debra McNabb - Director - Museum of Industry

WEDNESDAY, MAY 9, 2001 — *HALIFAX REGIONAL SCHOOL BOARD*

Halifax Regional School Board
Mr. David Reid - Superintendent
Mrs. Sandra Everett - Chairman of the Board
Mr. Richard Morris - Executive Director - Business Services
Mr. Rene Gallant - General Counsel

WITNESSES

WEDNESDAY, MAY 23, 2001

OFFSHORE / ONSHORE TECHNOLOGIES ASSOCIATION OF NOVA SCOTIA (OTANS)

Offshore/Onshore Technologies Association of Nova Scotia (OTANS)
Mr. Bill Johns - Chairman of the Board of Directors
Mr. Troy Ritcy - Vice -Chairman of the Board of Directors
Mr. Tim Brownlow - Past-Chairman of the Board of Directors
Mr. Paul MacEachern - Managing Director
Mr. Jay Abbass - Member of the Board of Directors and the Executive Committee
Mr. Ray Ritcey - Member of the Board of Directors
Mr. Russell Yates - Member of the Board of Directors
Mr. Ian Tillard - Chairman of the Regulatory Review Committee

SECTION I

COMMITTEE MEETINGS

UNIVERSITIES - FEDERAL FUNDING COMPONENT

WEDNESDAY, OCTOBER 18, 2000

WITNESSES

Department of Education
Mr. Dennis Cochrane, Deputy Minister
Mr. Joseph MacEachern, Acting Director of Grants and Audits, Finance Branch
Mr. Rick Butler, Executive Director of Training and Financial Assistance Branch

Nova Scotia Advisory Board on Colleges and Universities (NSABCU)
(Formerly called Nova Scotia Council on Higher Education or NSCHE)
Dr. Susan Clark, Executive Director

Maritime Provinces Higher Education Commission (MPHEC)
Dr. Carmelita Boivin-Cole, Chief Executive Officer

BACKGROUND

The Department of Education is responsible for education and training from grade primary through to all post secondary institutions. These institutions include universities, community colleges, adult education as well as apprenticeship programs. The Department's goal is to define the guiding principles and strategies in order to aid in the development of an environment where education and training are achieved. The Department helps to provide Nova Scotians with opportunities and tools for lifelong learning.

The Nova Scotia Advisory Board on Colleges and Universities is responsible for promoting an effective and coordinated university system that maximizes the education experience for students and the economic potential for Nova Scotia in order to generate high quality research activity. The Council also works with the Maritime Provinces Higher Education Commission (MPEHC) in order to ensure that the regional planning and quality assurance in programming among the universities in the Maritime Provinces is completed in an efficient manner.

The Council has formed two on-going committees, the Policy and Programing Committee and the Finance Committee in order to carry out their responsibilities. The Policy and Program Committee deals with issues relating to the universities' programs and the system-wide planning process. The Finance Committee deals with the financial issues relating to funding of the university system as well as the funding of the various initiatives at the individual institutions.

REPORT OF THE AUDITOR GENERAL

In 1996, the Auditor General audited the Department of Education and Culture - University Governance Study. The scope of the audit was as follows:

- Gain an understanding of university governance arrangements in the Province;
- Solicit the view of university board members on certain issues impacting the role and effectiveness of university boards, including such matters as board composition and development, responsibilities and accountabilities of board and board members, board structures and processes and adequacy and timeliness of information received by the board; and
- Gain an understanding of the degree of progress made in addressing the 1990 audit performed by the Auditor General that contained recommendations with respect to university financial statement matters.

Copies of the audit performed on the Department of Education and Culture - University Governance Study can be obtained from the Office of the Auditor General or online at the following address:

http://www.gov.ns.ca/legi/audg/1996/AG96_6.pdf

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Level of student loan debt, loan remission program;
- Statistics on students, full time and part time students, international student ratios;
- Canada Health and Social Transfer (CHST) federal funding formula;
- Level of student representation on Universities Board of Governors;
- Private Trade School statistics and loan default figures;
- Default rate of loans at UCCB and other universities;
- Millennium Scholarship Program. Federal funding, provincial loan figures; and
- Economic benefits from universities and student security and safety.

DOCUMENTATION REQUESTED

The witnesses from the Department of Education were asked to provide the Committee with the following documentation:

- A detailed breakdown of what the Department of Education has spent on student loans before and since the Millennium Scholarship has come into existence.

RECOMMENDATIONS

The Standing Committee on Public Accounts urges the federal government to review its funding formula so as to recognize Nova Scotia as a net importer of post-secondary students and a national leader in post-secondary education. Subsequently, the Committee urges the federal government to provide funding for Nova Scotia's post-secondary institutions based on the actual student numbers, rather than on a per capita basis.

The Standing Committee on Public Accounts urge the federal government to provide for university specific funding to improve physical infrastructure in agreement with the university community and the provincial government.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa001018.htm

NATIONAL HIGHWAY SYSTEM - FEDERAL CONTRIBUTIONS

WEDNESDAY, OCTOBER 25, 2000

WITNESSES

Department of Transportation and Public Works
Mr. Howard Windsor, Deputy Minister
Mr. Martin Delaney, Executive Director for District Operations

Department of Finance
Mr. William Hogg, Deputy Minister
Mr. Ramsay Duff, Assistant Deputy Minister

BACKGROUND

The Strategic Highway Improvement Program (SHIP) is a joint federal/provincial initiative program to make improvements to highways of national significance in Atlantic Canada. The goal of the program is to upgrade national highways within Nova Scotia to four lanes. The criteria necessary to be a national highway is that the highway must connect a province to a commercial route in another province, an interprovincial piece of the national system. The pieces of the highways that this agreement pertains to in Nova Scotia are as follows:

Highway Number	From	To	Length (km)
104	New Brunswick border	Port Hastings	285.2
106	Alma (104)	Caribou	18.4
104, 4	Port Hastings	Sydney River	130.5
125, 105	Sydney River	North Sydney	21.9
102, 111, 118	Truro	Halifax-Dartmouth	122.9
101, 1	Halifax-Dartmouth	Yarmouth	314.1
303	Digby (101)	Ferry Terminal	7.8
			900.8 km

REPORT OF THE AUDITOR GENERAL

In 1994, the Auditor General audited the Department of Transportation and Communications - Planning and Budgeting and 100-Series Highway Projects. The scope of the audit was as follows:

- The system of planning and budgeting relative to the Government's four-year Expenditure Control Plan;
- The system of planning and project management for highway construction including those under Federal-Provincial agreements; and
- The system of establishing priorities and determining how performance information is measured and assessed.

This audit is seven years old and it predates a number of the current agreements. However, it is an excellent source of background information. Copies of the audit performed on the Department of Transportation and Communications - Planning and Budgeting and 100-Series Highway Projects can be obtained from the Office of the Auditor General.

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- National highway system criteria and funding history;
- SHIP agreement;
- Highway 101 - Ben Jackson interchange, ferry terminal in Yarmouth;
- Highway 104 - Cobequid Pass, tolls;
- Highway 107;
- Bridges, accidents and fatalities;
- HRM Service agreement concerns on paving and standard of service on sub-division roads;
- Micro surfacing process; and
- HST on gasoline and home heating fuel.

DOCUMENTATION REQUESTED

The witnesses from the Department of Transportation and Public Works were asked to provide the Committee with the following documentation:

- Statistics on the flow of traffic on Highway 104 - Cobequid Pass;
- Breakdown of all costs pertaining to money spent on maintenance of Highway 104 - Cobequid Pass;
- Statistics on the profits made by the Western Alignment Corporation from the tolls on Highway 104 - The Cobequid Pass;
- Breakdown of the percentage in excise tax that Nova Scotia receives from the Federal government;
- Breakdown of the monies spent by Nova Scotia and from the SHIP Agreement concerning the construction of Highway 104 - Cobequid Pass;
- Statistics on the fatalities on Highway 104 - Cobequid Pass versus the Wentworth Valley;
- Statistics on the dollar value of the Cape Breton Regional Municipality taking over the maintenance of roads located in sub-divisions;
- Data concerning the use of the micro surfacing process on Nova Scotia roads; and
- Statistics on the increase in revenue from the HST on gasoline and home heating oil.

RECOMMENDATIONS

The Standing Committee on Public Accounts adds its voice to the provincial government's in urging the federal government to make available the funding necessary to twin Highway 101 from the Mount Uniacke exit to the Coldbrook exit.

The Standing Committee on Public Accounts adds its voice to the provincial government's in calling on the federal government to commit to a national highway system program.

The Standing Committee on Public Accounts urges the federal government to substantially increase the portion of monies returned to Nova Scotia from the money it collects through the federal fuel tax to Nova Scotia for road and highway construction and maintenance.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa001025.htm

HALIFAX PORT FACILITIES TOUR / HALIFAX PORT AUTHORITY

WEDNESDAY, NOVEMBER 1, 2000 / WEDNESDAY, NOVEMBER 8, 2000

WITNESSES

Halifax Port Authority
Mr. David Bellefontaine, President

BACKGROUND

The Halifax Port Authority (HPA - formerly the Halifax Port Corporation) is the federal agency that is responsible for managing and marketing the Port as a resource and sustainable asset for the benefit of the local, regional and national economies. The HPA's goal is to foster and promote trade and transportation in an environment conducive to the various industries within the Port.

The HPA encompasses 13 different locations:

Facilities	Locations / Details
Ocean Terminals	Pier A (Piers 25-28 and Pier 30) Pier A1 (Piers 31, 33 and 34)
Ocean Terminals	Piers 23 and 24
Southend Container Terminal	Pier B (Piers 36, 37 and 39) Pier C (Piers 41 and 42)
Grain Elevator	Located on Pier A
Seawall	Piers 20, 21 and 22
Maritime Command	Central Harbour on Halifax Shore
Richmond Terminals	Piers 9, 9A, 9B, 9C and 9D (North End Halifax)
Canadian National Railways (CN)	Intermodal Terminal - Adjacent to Richmond Terminals (250 Kilometers of CN track with on-dock rail service)
Fairview Cove Container Terminal	Wharves East and West - Bedford Basin
National Gypsum Wharf	Dartmouth Shore of Bedford Basin
Woodside Atlantic Wharf	Woodside - Dartmouth side of Harbour
Imperial Oil Wharves	Berths 3, 4 and 5 - Adjacent to Sherwater
Autoport	Floating Dock - Eastern Passage

REPORT OF THE AUDITOR GENERAL

The Auditor General of Nova Scotia has never audited the Halifax Port Authority. The HPA is a Crown Corporation and it files its business plan with the Province. The HPA's financial statements are audited by Grant Thornton, submitted to the federal government and contained in the Public Accounts of Canada. A copy of the audited financial statements of the HPA is also contained in their annual report.

MATTERS OF DISCUSSION

There were a number of matters discussed with the witness during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Post Panamex Ports, ship traffic, infrastructure;
- Canada Marine Act, Bill C9, equality between Canadian ports, subsidies;
- CN Rail access, shipping cargo, double stacking, trucking industry, American competition;
- Cruise Line visits and new terminal;
- Shearwater Facility (Imperial Oil wharves), Sydport;
- Workforce training, unions; and
- Ports Canada, policing of the port.

DOCUMENTATION REQUESTED

The Committee did not ask the witness to provide any additional information.

RECOMMENDATIONS

The Standing Committee on Public Accounts encourages the provincial government to continue to be supportive of the Halifax Port Authority to further enhance the development and promotion of the Port, to take full advantage of its strategic position as a major international port.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa001108.htm

HALIFAX-DARTMOUTH BRIDGE COMMISSION

WEDNESDAY, NOVEMBER 15, 2000

WITNESSES

Halifax-Dartmouth Bridge Commission
Mr. Larry Doane, Chairman
Mr. Steve Snider, General Manager and Chief Executive Officer
Mr. Ken Munro, Treasurer

BACKGROUND

The Halifax-Dartmouth Bridge Commission (HDBC) was incorporated in 1950 to construct, operate and maintain bridges and their approaches across the Halifax Harbour between Halifax and Dartmouth and across the North West Arm. The HDBC financing is approved by the Provincial Government. The HDBC is a public utility, therefore, its toll rates are subject to the approval of the Nova Scotia Utility and Review Board (URB).

The bridges are in continuous operation 365 days a year. The Bridges operate on a user-pay basis. Over $20 million is collected in tolls annually. The HDBC currently has a long-term debt load of $123 million. The first $100 million is made up of 5.95% bonds due in December 2007. The other $23 million is owed to the Province as part of a line of credit. This line of credit has a floating interest rate and is also due in December 2007.

The HDBC employs 24 permanent, full time employees in administration and maintenance, 50 members of the Canadian Corps of Commissionaires on contract and approximately 50 seasonal staff for painting and landscaping.

REPORT OF THE AUDITOR GENERAL

The Auditor General has not performed an all encompassing audit on the Halifax-Dartmouth Bridge Commission since 1991. However, the Auditor General does review the HDBC financial statements and management letters on a yearly basis. In the Auditor General's 1999 Annual Report, it was noted that the outside auditors (Levy Casey Carter MacLean) employed by the HDBC reported that the HDBC had weaknesses in expenditure authorization procedures and recommended additional reconciliation procedures for deferred revenues. The auditors also noted that there was a need to formally document the HDBC tangible assets policy.

Copies of the Crown Agencies and Corporations Review of Financial Statements and Management Letters in the 1999 Auditor General's Report can be obtained from the Office of the Auditor General or online at the following address:

http://www.gov.ns.ca/legi/audg/1999/chpt11.pdf

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Debt load, bond ratings, tolls, property tax arrangements with HRM;
- MacPass, transponders;
- Maintenance of Bridges, Bridge Lighting Costs, security measures;
- Employees, Corp of Commissionaires, training, conferences and seminars;
- Bridge capacity, commercial traffic, trucking industry, Post Panamex Ships; and
- HRDC as a corporate citizen (community relations).

DOCUMENTATION REQUESTED

The Committee did not ask the witness to provide any additional information.

RECOMMENDATIONS

The Standing Committee on Public Accounts encourages the Halifax-Dartmouth Bridge Commission to work toward eliminating the existing $123 million debt.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa001115.htm

STUDENT AID

WEDNESDAY, NOVEMBER 29, 2000

WITNESSES

Department of Education
Mr. Dennis Cochrane, Deputy Minister
Mr. Rick Butler, Executive Director, Training and Financial Assistance
Ms. Kathleen Thompson, Director of Student Assistance

BACKGROUND

The Student Assistance division within the Department of Education was established in 1964. The goal is to provide financial assistance to eligible students in a timely and efficient manner in order to provide equal opportunity access to post secondary institutions.

The Federal and Provincial governments provide loans to help students attend universities, community colleges and private trade schools. The Student Assistance Office administers the Canada Student Loans and the Nova Scotia Student Loan Programs, the Canadian Millennium Scholarship and Canada Study Grants.

REPORT OF THE AUDITOR GENERAL

In 1995 and 1997, the Auditor General audited the Department of Education and Culture - Student Assistance Program. The scope of these audits were as follows:

1995 Audit

- Assess the accountability framework between the Student Assistance Office, the Department, the bank and the Legislature;
- Gain an understanding of the relationship between the Nova Scotia Student Loan Program (NSSLP) and the Canadian Student Loan Program (CSLP) including the degree of harmonization between the two programs and the cost recovery arrangements with the Federal government;
- Determine whether the Department complied with government procurement policies when entering into the financial contract with the bank and whether the contract contains reasonable provisions to protect the interests of the Province;
- Determine the impact of the credit history of students on credit-granting decisions; and
- Follow-up on the tax return review initiative of the Student Assistance Office report in the 1992 Annual Report.

1997 Audit

- Examine and test the system of control over loan awards, interest relief and loan remission claims, and billings from the banks for interest and risk premiums; and
- Follow-up on the results of the 1995 audit of the Student Assistance Program.

Copies of the 1995 and 1997 audits performed on the Department of Education and Culture - Student Assistance can be obtained from the Office of the Auditor General. A copy of the 1997 audit is also available online at the following address:

http://www.gov.ns.ca/legi/audg/1997/AG97_10.pdf

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Level of student loan debt, loan remission program, tax law applications on loans;
- Statistics on students, full time and part time students, international student ratios;
- Private Trade School statistics and loan default figures;
- Millennium Scholarship Program, funding formula;
- Default rate of loans at Universities, Community Colleges and Private Trade Schools; and
- Private Trade School employment prospects and from the reliance of programs.

DOCUMENTATION REQUESTED

The witnesses from the Department of Education were asked to provide the Committee with the following documentation:

- detailed breakdown of what the Department of Education has spent on student loans before and since the Millennium Scholarship has come into existence.

RECOMMENDATIONS

The Standing Committee on Public Accounts recognizes the value of post secondary education as an important tool of moving Nova Scotia throughout this century.

The Standing Committee on Public Accounts recognizes that the withdrawal of CHST funding has had a significant impact on rising tuition costs and subsequently on student indebtedness and calls on the federal government to immediately restore CHST funding to 1994-95 levels.

The Standing Committee on Public Accounts recommends that the provincial government recognize the Nova Scotia Student Bursary Program as a laudable program worthy of consideration as the provinces finances permit.

The Standing Committee on Public Accounts recommends that the provincial government investigate making student loan payments partially tax deductible based upon (a) the successful completion of the program of study; and (b) continued residence in Nova Scotia.

The Standing Committee on Public Accounts urges the Department of Education to monitor and evaluate programs offered by Private Trade Schools with a view to the student having a reasonable prospect of gaining employment once the program has been completed. (i.e. the guidelines currently used to monitor the Nova Scotia Community College System)

RECOMMENDATIONS (Con't...)

The Standing Committee on Public Accounts urges the federal and provincial governments to review the terms of reference for this program keeping in mind that the monies students receive from the program should be income tax exempt for assessment purposes.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa001129.htm

FINALIZATION OF THE 1999-2000 ANNUAL REPORT INTELLECTUAL PROPERTY ASSETS

WEDNESDAY, JANUARY 31. 2001

WITNESSES

Office of the Auditor General
Mr. Roy Salmon - Auditor General

BACKGROUND

During a meeting of the Standing Committee on Human Resources (Tuesday, January 30, 2001), the issue of Intellectual Property (IP) Assets was discussed. Due to the financial nature of this issue the Human Resources Committee forwarded the matter to the Public Accounts Committee.

REPORT OF THE AUDITOR GENERAL

The Auditor General has never specifically done an audit on Intellectual Property Assets. However, the Canadian Institute of Chartered Accounts is studying the issue at present as IP Assets relate to the Generally Accepted Accounting Principles within Canada.

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- the ability to use IP Assets as collateral for a bank loan, IP Assets within the music industry;
- IP Assets in regards to future earning potential or asset value on a breakout basis, principals of accounting, tangible assets; and
- Policy concerning intellectual property in the United States versus the Generally Accepted Accounting Principals within Canada.

DOCUMENTATION REQUESTED

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office.

The transcript from both the Standing Committee on Human Resources and the Standing Committee on Public Accounts meetings can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/hr/hr010130.htm - Human Resources

http://www.gov.ns.ca/legi/hansard/comm/pa/pa010131.htm - Public Accounts

FUEL TAX

WEDNESDAY, FEBRUARY 7, 2001

WITNESSES

Department of Finance
Mr. William Hogg, Deputy Minister
Mr. Bruce Hennebury, Director of Fiscal Policy

BACKGROUND

The prices that consumers pay at the pumps for fuel in Nova Scotia is determined by many factors. There are various world circumstances that effect the oil markets and crude prices. The industry determines the majority of the fuel price (approximately 2/3). The government's share (approximately 1/3) is divided into three parts, the federal excise tax, the HST and the provincial fuel tax. The Department of Finance is responsible for setting the provincial fuel tax rate in Nova Scotia.

REPORT OF THE AUDITOR GENERAL

The Auditor General has never specifically done an audit on the setting of the fuel tax rates in Nova Scotia. However, there have been a number of audits on the Departments of Finance and Transportation and Public Works. The Auditor General also audits the Financial Statements and the Public Accounts whereupon these rates are documented.

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Home heating oil, prices, revenues created by provincial tax, monthly volume of consumption (gasoline and diesel), tracking procedures by the Department, volume versus consumption;
- HST, Federal Fuel Excise Tax, government revenues from fuel taxes, rebate program;
- Natural gas;
- Refinery closures and impact on Nova Scotia fuel prices; and
- Canada Customs and Revenue Agency (CCRA).

DOCUMENTATION REQUESTED

The witnesses from the Department of Finance were asked to provide the Committee with the following documentation:

- The actual figures on the number of litres used in home heating fuel, gasoline and diesel products with the attributable taxes earned from these products;
- The monthly dollar figure that the federal government remits to Nova Scotia from the monies collected by Canada Customs Revenue Agency from the HST (figures for the past three years); and
- A breakdown of what commodities the federal government remits HST on to the provinces.

RECOMMENDATIONS

The Standing Committee on Public Accounts recommends that all of the government monies derived from fuel tax be taken from a general revenue account and put into Transportation.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa010207.htm

NOVA SCOTIA CREDIT RATING

WEDNESDAY, FEBRUARY 14, 2001

WITNESSES

Department of Finance
Mr. William Hogg, Deputy Minister
Mr. Doug Stratton, Executive Director - Investments, Pensions and Treasury Services
Mr. Roy Spence, Director - Liability Management and Treasury Services

Auditor General's Office
Mr. Roy Salmon, Auditor General
Mr. Claude Carter, Deputy Auditor General

BACKGROUND

The Department of Finance is directly responsible for the ongoing management of the Province of Nova Scotia's debt. Nova Scotia's debt is divided into five entities: insurance markets, maturity, foreign currency, interest rate mix and derivative counter party. In 1998, the Department of Finance created the Debt Services Committee. The Committee oversees the debt management function of the Province by providing staff with strategic objectives and guidelines for financial risk management and capital market acuities.

REPORT OF THE AUDITOR GENERAL

In 1999, the Auditor General audited the Department of Finance - Liability and Risk Management. The scope of the audit was as follows:

- determine if an effective risk management framework is in place to manage the financial risk of the Provincial Debt and Obligations;
- is this plan properly controlled and does it provide adequate reporting to the Executive Director, Deputy Minister and Minister of Finance; and
- is the Department properly staffed in terms of expertise and resources.

Copies of the audit performed on the Department of Finance - Liability and Risk Management can be obtained from the Office of the Auditor General or online at the following address:

http://www.gov.ns.ca/legi/audg/1999/chpt6.pdf

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Management of debt, debt services costs, expenditure controls;
- Gross domestic product - ratio to debt, growth in economy and its effect on the debt;

- Bond rating agencies, General Obligation Bonds, Toll Revenue Bonds, derivatives;
- Government restructuring process and the associated costs;
- Nova Scotia assets, revenues of sales from NSRL, Sydney Steel debt forecast;
- Emergency Measures Organization, user fees; and
- Intellectual Property, Generally Accepted Accounting Principles (GAAP).

DOCUMENTATION REQUESTED

The witnesses from the Department of Finance were asked to provide the Committee with the following documentation:

- An analysis as to why selling Nova Scotia Resources Limited is a good deal for Nova Scotia.

RECOMMENDATIONS

The Standing Committee on Public Accounts recommends that the Province should take reasonable financial measures in order to improve its overall financial affairs, with the view of improving the Province's credit rating.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa010214.htm

REPORT OF THE AUDITOR GENERAL - 2000

WEDNESDAY, FEBRUARY 28, 2001 / WEDNESDAY, MARCH 7, 2001

WITNESSES

Auditor General's Office
Mr. Roy Salmon - Auditor General
Mr. Claude Carter - Deputy Auditor General
Mr. Alan Horgan - Assistant Auditor General
Ms. Elaine Morash - Assistant Auditor General
Mr. David Perry - Audit Manager
Mr. Roger Lintaman - Audit Manager

BACKGROUND

The 2000 Auditor General Report contains results from audits performed by the Office of the Auditor General during the 2000 calendar year. The objective of the report is to assist members of the House of Assembly in exercising their responsibility to hold the government accountable for the management of public funds. The Auditor General's Office uses the standards of the Canadian Institute of Chartered Accountants (CICA) to perform all audit work.

REPORT OF THE AUDITOR GENERAL - 2000

In the 2000 Auditor General's Report, audit work was performed on the following departments:

Government Wide Issues
- Accountability Information and Reporting; and
- User Fees.

Departmental Audits
- Community Services - Grants to Organizations Providing Family and Children's Services;
- Education - Halifax Regional School Board and Chignecto-Central Regional School Board - Budgeting and Financial Management Practices;
- Health - Cape Breton Healthcare Complex, Emergency Health Services and Physicians Alternative Funding Initiatives; and
- Housing and Municipal Affairs - Land Information Services.

Crown Agencies and Corporations
- Nova Scotia Liquor Commission - Update from the previous audit and Government Review of Alternative Services Options; and
- Review of Financial Statements and Management Letters.

Copies of the 2000 Report of the Auditor General can be obtained from the Office of the Auditor General or online at the following address:

http://www.gov.ns.ca/legi/audg/2000ag.htm

MATTERS OF DISCUSSION

A thorough overview of all of the audits performed by the Auditor General's Office in 2000 was given to the Committee. However, specific matters that came under a great deal of discussion were as follows:

- User fees - accountability, calculating costs associated prior to instituting a user fee, 911;
- Halifax Regional School Board - lost documentation related to the budgeting process, revenue projections;
- Chignecto-Central Regional School Board ;
- Finance - debt, sinking funds, financial assets of the province, unfunded liabilities, bond rating agencies, Sysco;
- Nova Scotia Liquor Commission - Liquor Control Act, privatization;
- Emergency Health Services - ambulance maintenance;
- Cape Breton Healthcare Complex - improvement in care, changes to the structure, Goldbloom Report;
- Fiscal Management Taskforce, management of government programs, Generally Accepted Accounting Principals (GAAP); and
- Nova Scotia Power Incorporated, Nova Scotia Resources Limited.

DOCUMENTATION REQUESTED

The following documents were requested from the Minister responsible for the Treasury and Policy Board:

- A list of all exemptions, since July 1999, that have been made to the Government's procurement policy with explanations as to why each of the exemptions were made by the Government.

RECOMMENDATIONS

The Standing Committee on Public Accounts expressed great concern surrounding the budgetary process within the Halifax Regional School Board. The Public Accounts Committee will be looking at the Auditor General's audit of the Halifax Regional School Board in greater detail.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from the meetings with the Auditor General on the 2000 Annual Report can also be found online at the following addresses:

Wednesday, February 28, 2001: http://www.gov.ns.ca/legi/hansard/comm/pa/pa010228.htm

Wednesday, March 7, 2001: http://www.gov.ns.ca/legi/hansard/comm/pa/pa010307.htm

ACCESS NOVA SCOTIA

WEDNESDAY, MARCH 21, 2001

WITNESSES

Service Nova Scotia and Municipal Relations
Mr. Graham Poole, Executive Director - Service Delivery
Ms. Kathy Smith, Acting Director - Financial Services
Ms. Joan Frizzell, Financial Services Coordinator

Department of Finance
Ms. Robyn McIsaac, Director of Communications

BACKGROUND

Service Nova Scotia and Municipal Relations (SNSMR), formerly the Department of Business and Consumer Services (BCS), was formed in 1996 in order to combine the various programs throughout the government that related to serving the general public. The Service Delivery Division was created so that quality services could be provided within a type of "one stop shopping" atmosphere - Access Nova Scotia.

Access Nova Scotia has dealt with approximately 2.2 million inquiries since its inception. It has collected over $400 million in taxes and other revenues for the Province. Services available through the 14 sites are as follows:

- motor vehicle registration;
- drivers' licencing;
- birth, death and marriage records;
- business registration and licencing (standard and electronic);
- regulations of financial institutions and insurance companies;
- consumer protections, including residential tenancies;
- user fee and tax collection for the Province.

REPORT OF THE AUDITOR GENERAL

The Auditor General has never performed an audit on the Services Division of Service Nova Scotia and Municipal Relations.

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Budget allocation reduction, number of calls and 2% recall factor, staffing, hours of operation, various Access Nova Scotia locations;
- User fees, litigation potential concerning the establishing of the fee amount;
- Motor Vehicle Act, fines, business registry programs, tombstone information;
- On-line services, on-line information safeguards, Atlantic Canada On-Line, Canada Customs and Revenue

Agency (CCRA) - collection of federal and provincial taxes;
- Red Tape Taskforce;
- Program review and budget recommendations, Government Bookstore; and
- Topographical Information - Land Information Services Division - Department of Natural Resources.

DOCUMENTATION REQUESTED

The Committee requested that officials from Service Nova Scotia and Municipal Relations provided them with the following documentation:

- The percentage of user fees that are actually established by SNSMR and the rationale used behind the setting of the dollar amount of the fee;
- The percentage of female employees in the Service Delivery Division of SNSMR;
- Information concerning the Canada Customs and Revenue Agency (CCRA) discussions with SNSMR concerning the collection of fuel and tobacco taxes;
- Information concerning changes implemented as a result of the Red Tape Taskforce; and
- A list of the recommendations made by the Service Delivery Division of SNSMR to the Minister concerning program review.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa010321.htm

RESOURCE RECOVERY FUND BOARD

WEDNESDAY, MARCH 28, 2001

WITNESSES

Resources Recovery Fund Board
Mr. Derrick Firth, Chief Operating Officer
Mr. Darrell Hiltz, Chairman of the Board of Directors

BACKGROUND

The Resource Recovery Fund Board (RRFB) was established under section 98 of the Environment Act in order to:
- develop and implement industry stewardship programs;
- fund municipal or regional diversion programs;
- develop and operate a deposit/refund system for beverage containers;
- develop educational programs and awareness of source reduction, reuse, recycling and composting; and
- promote the development of value-added manufacturing in the Province of Nova Scotia.

The RRFB is a commercially viable company providing responsible management for a significant portion of Nova Scotia's Solid Waste-Resource Management Strategy.

REPORT OF THE AUDITOR GENERAL

The Auditor General has never performed an audit on the Resource Recovery Fund Board.

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- New paint cans and used oil recycling fees, a new contaminated soil policy initiative;
- Disposable coffee cups, over 300 million/year - no deposit required;
- Recycling of tires, $3/tire passenger tire and $9/tire truck tire, tire shredding process, tire crumbing process and burning of tires;
- Four regional processing centres, 82% recovery rate;
- P.E.T. plastic (pop bottles);
- History of Nova Tires and TRACC (processing company) - Atlantic Resource Recovery - Resources Technology - KIT Canada; and
- Adopt a Highway Program, Pick-Up Nova Scotia, Curbside Program.

DOCUMENTATION REQUESTED

The Committee did not ask the witnesses to provide any additional information.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa010328.htm

PROCUREMENT OF LEGAL SERVICES

WEDNESDAY, APRIL 11, 2001

WITNESSES

Department of Justice
Mr. Doug Keefe, QC - Deputy Minister

BACKGROUND

The Public Service Act of Nova Scotia empowers the Attorney General to be the legal counsel for the Government of Nova Scotia. In Nova Scotia the Attorney General and the Minister of Justice are currently one in the same. When a government department determines that it is in need of legal services, the Department of Justice assesses the need for the services and whom shall perform said service (within the Department or the private sector).

REPORT OF THE AUDITOR GENERAL

The Auditor General has never performed an audit concerning the procurement of legal services within the Department of Justice.

MATTERS OF DISCUSSION

There were a number of matters discussed with the witness during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Procurement policies concerning contracts with private law firms, in-house tracking system, reporting process and structure within the Department, business plan, procedures surrounding conflicts of interest;
- In-house counsel, salaries;
- Indigenous and minority employment opportunities within the Department of Justice as well as the legal community as a whole, availability of bi-lingual lawyers;
- Legal Aid Commission, Legal Aid Certificates; and
- Department of Community Services reliance on legal services concerning child protection matters, Children's aid.

DOCUMENTATION REQUESTED

The Committee asked the witnesses to provide the following additional information;

- A detailed breakdown of lawyer's salaries within the Department of Justice.

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A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa010411.htm

NOVA SCOTIA MUSEUMS

WEDNESDAY, MAY 2, 2001

WITNESSES

Department of Tourism and Culture
Mr. David Newlands - Executive Director of Heritage
Ms. Debra Burleson - Director - Museum of Natural History
Mr. Paul Collins - Curator - Community Museums Assistance Program
Ms. Debra McNabb - Director - Museum of Industry

BACKGROUND

The Nova Scotia Museum consists of twenty-six sites, over two-hundred buildings and four ships. Nova Scotia museums welcomed over 681, 000 visitors last year. Museums are located within one-hundred and forty-seven communities. Last year museums generated approximately $3 million or one-quarter of their budget in revenue. The goal of the Department of Tourism and Culture is to make Nova Scotia museums leaders and a partners in the delivery of high-quality and sustainable heritages resources, increase the quality of life and create economic opportunities in communities throughout Nova Scotia.

REPORT OF THE AUDITOR GENERAL

The Auditor General has never performed an audit concerning Nova Scotia Museums.

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Community Museum Assistance Program and the Strategies Development Initiative;
- Funding processes within the department, training initiatives for museum staff, Heritage Conferences, web-site development, admission of high school students, user fees for museums, Parks Canada, the museum directory;
- Special Places Protection Act, archaeological artifacts, potential developers and their impact on discoveries of artifacts, awareness of the value of historical artifacts;
- Fossil collection located at the University College of Cape Breton, orphan collection; and
- Museum of Industry, storage site at the Museum of Industry, McCullogh House.

DOCUMENTATION REQUESTED

The Committee asked the witnesses to provide the following additional information;

- A detailed breakdown of the number of fossils in the University College of Cape Breton fossil collection;
- A detailed list of the training and internship programs that are provided for museum staff;
- A detailed list of the donations received by the Museum of Industry since 1998;

- A copy of the written criteria and procedures used by the department to determine a museums eligibility for funding; and
- A detailed breakdown of the capital and operating costs of the Museum of Industry since 1998.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa010502.htm

HALIFAX REGIONAL SCHOOL BOARD

WEDNESDAY, MAY 9, 2001

WITNESSES

Halifax Regional School Board
Mr. David Reid - Superintendent
Mrs. Sandra Everett - Chairman of the Board
Mr. Richard Morris - Executive Director - Business Services
Mr. Rene Gallant - General Counsel

BACKGROUND

The Halifax Regional School Board (HRSB) was established in 1995-1996 by the Department of Education during an amalgamation process. The new HRSB brought together three separate boards to make it the largest school board in Nova Scotia. The Halifax Regional School Board contains 144 schools, one central office, three area offices and one maintenance office. The Halifax Regional School Board maintains over 145 buildings that contain 6.5 million square feet of space.

REPORT OF THE AUDITOR GENERAL

In 2000, the Auditor General audited the Department of Education - Halifax Regional School Board and Chignecto-Central Regional School Board - Budgeting and Financial Management Practices. The scope of the audit was as follows:

- review and assess HRSB's business plan as a foundation for the budgets and linkages between the business plan and the budget;
- assess the adequacy of HRSB's financial management environment;
- review and assess the process followed in the preparation of HRSB's approved 2000-01budget;
- review and access the support for the approved budgets, including supporting calculations and assumptions;
- form an opinion on reasonableness of the budgets;
- review and assess HRSB's accountability relationship with the Department of Education as it relates to their budgeting process; and
- review and assess HRSB's process for periodic monitoring of financial results and forecasting results to year end.

Copies of the audit performed on the Department of Education - Department of Education - Halifax Regional School Board and Chignecto-Central Regional School Board - Budgeting and Financial Management Practices can be obtained from the Office of the Auditor General or online at the following address:

http://www.gov.ns.ca/legi/audg/2000/Chpt5_oo.pdf

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Reorganization of HRSB concerning the costs, budgeting , senior administration salaries, school closures;
- HRSB expenditures verses revenue, software programs (SAP);
- Maintenance and Janitorial workers strike, appointment of a mediator, facility management and property services;
- Student's First program, promotional material and programing, Community Collaborations and Partnerships Report;
- Access to schools run by outside management companies; and
- Relationship between the HRSB and the Nova Scotia Teacher's Union.

DOCUMENTATION REQUESTED

The Committee asked the witnesses to provide the following additional information;

- A detailed breakdown of the salaries of the top administrators at the HRSB;
- A detailed breakdown of the costs of the reorganization of the HRSB, including buy outs, layoff packages etc.;
- A copy of the report on Community Collaborations &Partnership;
- A detailed accounting of cost saved concerning contracting out and privatization of the Janitorial and maintenance positions;
- A copy of the facilities report on Mary Lawson and Alderney schools;
- Copies of all correspondence concerning the Mary Lawson and Alderney school closures;
- A copy of the JOHS Committee Report that were sent to the central office; and
- Details concerning the use of CHEM-TECH in Chezzetcook as a supplier.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa010509.htm

OFFSHORE / ONSHORE TECHNOLOGIES ASSOCIATION OF NOVA SCOTIA

WEDNESDAY, MAY 23, 2001

WITNESSES

Offshore/Onshore Technologies Association of Nova Scotia (OTANS)
Mr. Bill Johns - Chairman of the Board of Directors
Mr. Troy Ritcy - Vice -Chairman of the Board of Directors
Mr. Tim Brownlow - Past-Chairman of the Board of Directors
Mr. Paul MacEachern - Managing Director
Mr. Jay Abbass - Member of the Board of Directors and the Executive Committee
Mr. Ray Ritcey - Member of the Board of Directors
Mr. Russell Yates - Member of the Board of Directors
Mr. Ian Tillard - Chairman of the Regulatory Review Committee

BACKGROUND

The Offshore/Onshore Technologies Association of Nova Scotia (OTANS) was founded in 1982 for Nova Scotia companies in order to access opportunities brought on by the exploration and development of the Scotian shelf. OTANS has over 420 member companies employing over 40,000 people that provide expertise to the energy sector within the province.

REPORT OF THE AUDITOR GENERAL

The Auditor General has never performed an audit concerning the Offshore/Onshore Technologies Association of Nova Scotia (OTANS).

MATTERS OF DISCUSSION

There were a number of matters discussed with the witnesses during this meeting. Outlined below are the topics that the Committee focussed on during the meeting:

- Streamlining the regulatory and review processes, employment created by the industry, skills within the workforce, social and economic benefits, technology transfer;
- Jurisdictional disputes, promotion of inter-provincial co-operation;
- Petroleum Directorate, Canada Nova Scotia Offshore Petroleum Board, Sable Offshore Energy Project, Sempra distribution contract, Pan Canadian; and
- Scotian shelf.

DOCUMENTATION REQUESTED

The Committee did not ask the witnesses to provide any additional information.

A copy of the transcript and the documentation requested by the Committee during this meeting is available from the Legislative Committees Office. The transcript from this meeting can also be found online at the following address:

http://www.gov.ns.ca/legi/hansard/comm/pa/pa010523.htm

SECTION II

RECOMMENDATIONS

RECOMMENDATIONS

UNIVERSITIES - FEDERAL FUNDING COMPONENT

The Standing Committee on Public Accounts urges the federal government to review its funding formula so as to recognize Nova Scotia as a net importer of post-secondary students and a national leader in post-secondary education. Subsequently, the Committee urges the federal government to provide funding for Nova Scotia's post-secondary institutions based on the actual student numbers, rather than on a per capita basis.

The Standing Committee on Public Accounts urge the federal government to provide for university specific funding to improve physical infrastructure in agreement with the university community and the provincial government.

NATIONAL HIGHWAY SYSTEM

The Standing Committee on Public Accounts adds its voice to the provincial government's in urging the federal government to make available the funding necessary to twin Highway 101 from the Mount Uniacke exit to the Coldbrook exit.

The Standing Committee on Public Accounts adds its voice to the provincial government's in calling on the federal government to commit to a national highway system program.

The Standing Committee on Public Accounts urges the federal government to substantially increase the portion of monies returned to Nova Scotia from the money it collects through the federal fuel tax to Nova Scotia for road and highway construction and maintenance.

HALIFAX PORT AUTHORITY

The Standing Committee on Public Accounts encourages the provincial government to continue to be supportive of the Halifax Port Authority to further enhance the development and promotion of the Port, to take full advantage of its strategic position as a major international port.

HALIFAX-DARTMOUTH BRIDGE COMMISSION

The Standing Committee on Public Accounts encourages the Halifax-Dartmouth Bridge Commission to work toward eliminating the existing $123 million debt.

RECOMMENDATIONS

STUDENT AID

The Standing Committee on Public Accounts recognizes the value of post secondary education as an important tool of moving Nova Scotia throughout this century.

The Standing Committee on Public Accounts recognizes that the withdrawal of CHST funding has had a significant impact on rising tuition costs and subsequently on student indebtedness and calls on the federal government to immediately restore CHST funding to 1994-95 levels.

The Standing Committee on Public Accounts recommends that the provincial government recognize the Nova Scotia Student Bursary Program as a laudable program worthy of consideration as the provinces finances permit.

The Standing Committee on Public Accounts recommends that the provincial government investigate making student loan payments partially tax deductible based upon (a) the successful completion of the program of study; and (b) continued residence in Nova Scotia.

The Standing Committee on Public Accounts urges the Department of Education to monitor and evaluate programs offered by Private Trade Schools with a view to the student having a reasonable prospect of gaining employment once the program has been completed. (i.e. the guidelines currently used to monitor the Nova Scotia Community College System)

The Standing Committee on Public Accounts urges the federal and provincial governments to review the terms of reference for this program keeping in mind that the monies students receive from the program should be income tax exempt for assessment purposes.

FUEL TAX

The Standing Committee on Public Accounts recommends that all of the government monies derived from fuel tax be taken from a general revenue account and put into Transportation.

NOVA SCOTIA CREDIT RATING

The Standing Committee on Public Accounts recommends that the Province should take reasonable financial measures in order to improve its overall financial affairs, with the view of improving the Province's credit rating.

RECOMMENDATIONS

REPORT OF THE AUDITOR GENERAL - 2000

Halifax Regional School Board

The Standing Committee on Public Accounts expressed great concern surrounding the budgetary process within the Halifax Regional School Board. The Public Accounts Committee will be looking at the Auditor General's audit of the Halifax Regional School Board in greater detail.

SECTION III

PUBLIC ACCOUNTS COMMITTEE MANDATE

MANDATE OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

The Committee's mandate is derived from the Legislative Assembly.

THE ORDER OF REFERENCE

The Legislative Assembly has appointed the Standing Committee on Public Accounts to :

1. Examine and inquire into all such matters and things as may be referred to it by the Assembly, and to report from time to time its observations thereon with the power to send for persons, papers and records, and to examine witnesses under oath;

2. Review the Public Accounts of the Province of Nova Scotia and the issues raised in the annual report of the Auditor General which have been referred to the Committee.

3. Examine and inquire into any other financial matters involving public funds of the Province of Novas Scotia.

This enables the PAC to proceed without delay with its examinations.

The PAC is not fundamentally concerned with matters of policy. The Committee does not call into question the rationale of government programmes, but rather the economy and efficiency of their administration. Although the PAC hopes to have a continuing influence on the quality of provincial administrative processes, its prime orientation is after-the fact, or post-audit, to understand, assess and correct (through recommendations in its reports to the Assembly) inadequacies, and issues that the Committee and the Auditor General have raised. The resulting "non policy" orientation of the Committee should enable the development of non-partisan spirit within the Committee in order to get at problems and seek solutions to them.

THE MANDATE

The PAC's mandate is to assist the Legislative Assembly, **within the framework of its Order of Reference from the Legislative Assembly, the Public Accounts of the Province or the Auditor General's report,** to hold the government accountable for its spending of taxpayers' money and for its stewardship over public assets.

To fulfil its functions and meet its responsibilities, the Committee will undertake to review, examine and evaluate the financial and administrative activities of government departments, agencies, crown corporations, and any person or institution receiving financial assistance from the government, cited in the Public Accounts or the Report of the Auditor General. The Committee will conduct its work within **the framework** of its **Order of Reference** as follows:

The Committee may include in its review:

- the information in the Public Accounts for reliability and appropriateness;
- the information in the annual Financial Reports;
- matters raised in the Auditor General's report;
- any audit report on the Office of the Auditor General;
- clauses within intended or proposed legislation or amendments; which exclusively pertains to the responsibilities of the Auditor General;
- the activities of the Office of the Auditor General and the resources allocated to it.

The Committee may include in its examination;

- past and committed expenditures insofar as they relate directly to and have an impact on matters under review to assist the Committee in understanding the context;
- the collection of and accounting for revenues;
- the probity and value for money in expenditures;
- the adequacy of safeguards to protect assets from loss, waste and misappropriation;
- whether appropriate financial management controls are in existence.

The Committee may include in its evaluation;

- the activities of all government departments, agencies, crown corporations, and any persons or institutions receiving financial assistance from the government;
- the value for money obtained through divestiture of any crown corporation or agency;
- the systems and practices to determine whether transfer payments are used for purposes intended;
- the efficiency, economy and effectiveness in implementation of government programs and in their achievement of stated goals;
- whether expenditures are within the limits and for purposes authorized by the Legislature and in general, in compliance with legislative authority;
- any financial management reforms in government to determine whether due regard is given to maintaining legislative accountability.

In carrying out its role the Committee will seek to:

- work with the Auditor General to achieve accountability to the Legislative Assembly;
- obtain all financial information and documents necessary for the Committee's work except for records which are privileged in the narrowest sense such as Executive Council papers;
- avoid matters of government policy;
- study any other matters referred to it by the Legislative Assembly;
- report its findings and make recommendations at least annually to the Legislative Assembly.

SECTION IV

STATEMENT OF SUBMISSION

STATEMENT OF SUBMISSION

All of which is respectfully submitted to the
House of Assembly this 28th day of November, 2001

William Estabrooks, MLA
Chairman

I concur

Jim DeWolfe, MLA
Vice Chairman

I concur

Bill Langille, MLA

I concur

Barry Barnet, MLA

I concur

Jon Carey, MLA

I concur

Kerry Morash, MLA

I concur

Graham Steele, MLA

I concur

Russell MacKinnon, MLA

I concur

Don Downe, MLA